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OFFICE OF LOGISTICS
PROCUREMENT NOTE NO. 50

26 FEB 1971

Cost Sharing on Research and Development

1. Office of Management and Budget Circular No. A-100, dated 18 December 1970, provides guidelines for cost sharing to be employed by Federal agencies in the negotiation of contracts and grants for basic and applied research.
2. The guidelines may be employed in negotiating development contracts, and the contracting officer will attempt to achieve a cost-sharing arrangement in situations when:
 - a. There is conclusive evidence that there is a high probability the contractor will receive substantial present or future commercial benefits; or
 - b. The development project can be identified directly to a program element of the contractor's independent research and development program plan.
3. It will be the policy of contracting officers exercising delegations from the Director of Logistics to negotiate cost-sharing arrangements whenever appropriate.
4. Whenever a cost-sharing arrangement is achieved, or a situation arises wherein the contracting officer is of the opinion that such an arrangement is in the best interest of the Government and, nevertheless, the contractor refuses to accept cost sharing, the case will be prepared for presentation to the Agency Contract Review Board for its information and recommendation to the Director of Logistics.
5. All cost-sharing arrangements must be forwarded to the Director of Logistics for his approval prior to the contracting officer's execution of the contract.
6. The following documents, as extended herein, shall serve as the Agency's guidelines for cost sharing on research and development:
 - a. OMB Circular No. A-100, (attachment 1);
 - b. ASPR 3-707, Cost Sharing Rates;

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c. ASPR 4-110, Cost Sharing Policy; and

d. DOD Directive 3210.2, Research Grants and Title to Equipment
Purchased under Grants, (attachment 2).




John F. Blake
Director of Logistics

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2 Atts

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